

**ASSUMPTION PARISH SHERIFF**

Napoleonville, Louisiana

Financial Report

Year Ended June 30, 2014

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## INDEPENDENT AUDITORS' REPORT

The Honorable Michael J. Waguespack  
Assumption Parish Sheriff  
Napoleonville, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Assumption Parish Sheriff (hereinafter "Sheriff") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Sheriff's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sheriff as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 21 to the financial statements, the Sheriff implemented the provisions of the Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and a schedule of funding progress for the Sheriff's other post employment benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on management's discussion and analysis on pages 4-11, the budgetary comparison information on pages 43-44, or the schedule of funding progress for the Sheriff's other postemployment benefits on page 45 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying affidavit of cash on hand and of taxes collected and assessed and uncollected listed as "Other Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The affidavit of cash on hand and of taxes collected and assessed and uncollected on page 47 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2014, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
December 16, 2014

**ASSUMPTION PARISH SHERIFF**  
**Napoleonville, Louisiana**  
**Management's Discussion and Analysis (Unaudited)**

Within this section of the Assumption Parish Sheriff's annual financial report, the Assumption Parish Sheriff's management is pleased to provide this narrative discussion and analysis of the financial activities of the Assumption Parish Sheriff for the fiscal year ended June 30, 2014. The Assumption Parish Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**FINANCIAL HIGHLIGHTS**

- The Assumption Parish Sheriff's assets exceeded its liabilities by \$758,747 (net position) for the fiscal year reported.
- The net position is comprised of the following:
  - (1) Net investment in capital assets, of \$1,043,544 include equipment, net of accumulated depreciation, and reduced for outstanding debt, if any, related to the purchase of capital assets.
  - (2) Unrestricted deficit of \$284,797 represents the portion available to maintain the Assumption Parish Sheriff's continuing obligations to citizens and creditors.
- The Assumption Parish Sheriff's governmental funds reported total ending fund balance of \$1,441,421 this year. This compares to the prior year ending fund balance of \$1,316,014 showing an increase of \$125,407 during the current year. Unreserved fund balance of \$1,426,386 for fiscal year 2014 shows a \$122,744 increase from the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,426,386 or 16% of total General Fund expenditures and 16% of total General Fund revenues including transfers.
- Overall, the Assumption Parish Sheriff's Office continues to maintain a solvent financial position, in spite of being a rural parish with minimal growth in its tax base and limits to other sources of revenues.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management Discussion and Analysis document introduces the Assumption Parish Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the basic financial statements. The Assumption Parish Sheriff also includes in this report additional information to supplement the basic financial statements.

**ASSUMPTION PARISH SHERIFF**  
**Napoleonville, Louisiana**  
**Management's Discussion and Analysis (Unaudited)**

**Government-wide Financial Statements**

The Assumption Parish Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Assumption Parish Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the Assumption Parish Sheriff's assets and liabilities, with the difference reported as total net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Assumption Parish Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Assumption Parish Sheriff would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Assumption Parish Sheriff's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Assumption Parish Sheriff's distinct activities or functions on revenues provided by the Assumption Parish Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Assumption Parish Sheriff that are principally supported by property taxes. The sole purpose of these governmental activities is public safety.

The government-wide financial statements are presented on pages 14 & 15 of this report.

**Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Assumption Parish Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Assumption Parish Sheriff's most significant funds rather than the Assumption Parish Sheriff as a whole.

The Assumption Parish Sheriff has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Assumption Parish Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

**ASSUMPTION PARISH SHERIFF**  
**Napoleonville, Louisiana**  
**Management's Discussion and Analysis (Unaudited)**

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 18 - 21 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The Assumption Parish Sheriff only reports agency funds.

The basic agency fund financial statement is presented on page 22 of this report.

**Notes to the basic financial statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Assumption Parish Sheriff's budget presentations. Budgetary comparison statements are included as "required supplementary information" of the general fund. These statements and schedules demonstrate compliance with the Assumption Parish Sheriff's adopted and final revised budget. Required supplementary information and other supplementary information can be found on pages 43 - 45 of this report.



**ASSUMPTION PARISH SHERIFF**  
**Napoleonville, Louisiana**  
**Management's Discussion and Analysis (Unaudited)**

**FINANCIAL ANALYSIS OF THE PARISH SHERIFF AS A WHOLE**

The Assumption Parish Sheriff's net assets at fiscal year ended June 30, 2014 and 2013 are \$758,747 and \$477,666, respectively. The following table provides a summary of the Assumption Parish Sheriff's net assets:

	<b>Summary of Net Position</b>			
	<b>June 30, 2014</b>		<b>June 30, 2013</b>	
	<b>Governmental Activities</b>	<b>Percentage Total</b>	<b>Governmental Activities</b>	<b>Percentage Total</b>
<b>Assets:</b>				
Current assets and other assets	\$2,037,843	66%	\$2,005,678	75%
Capital assets	1,043,544	34%	658,427	25%
<b>Total assets</b>	<b>\$3,081,387</b>	<b>100%</b>	<b>\$2,664,105</b>	<b>100%</b>
<b>Liabilities:</b>				
Current liabilities	\$582,596	25%	\$689,664	32%
Long-term liabilities	1,740,044	75%	1,496,775	68%
<b>Total liabilities</b>	<b>\$2,322,640</b>	<b>100%</b>	<b>\$2,186,439</b>	<b>100%</b>
<b>Net Position:</b>				
Net investment in capital assets	\$1,043,544	138%	\$658,427	91%
Unrestricted	(284,797)	-38%	(180,761)	-5%
<b>Total net position</b>	<b>\$758,747</b>	<b>100%</b>	<b>\$477,666</b>	<b>86%</b>

The Assumption Parish Sheriff continues to maintain a positive ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 3.5 to 1.

The Assumption Parish Sheriff reported positive balances in net position for the governmental activities. Net position increased \$281,081 for governmental activities in fiscal year 2014, and the Assumption Parish Sheriff reports \$758,747 of net position.

Note that a majority of the governmental activities' net position are tied up in capital assets. The Assumption Parish Sheriff uses these capital assets to provide services to its citizens.

**ASSUMPTION PARISH SHERIFF**  
**Napoleonville, Louisiana**  
**Management's Discussion and Analysis (Unaudited)**

The following table provides a summary of the Assumption Parish Sheriff's changes in net assets:

	<b>Summary of Changes in Net Position</b>			
	<b>June 30, 2014</b>		<b>June 30, 2013</b>	
	<b>Governmental Activities</b>	<b>Percentage of Total</b>	<b>Governmental Activities</b>	<b>Percentage of Total</b>
Revenues:				
Programs:				
Charges for services	\$2,565,245	29%	\$916,307	14%
Operating grants	466,908	5.0%	471,744	7.5%
General:				
Property taxes	4,934,947	55.0%	4,058,561	63.5%
State sources	398,948	4.5%	393,878	6%
Interest	704	0%	1,105	0%
Miscellaneous	580,632	6.5%	580,572	9%
Total Revenues:	<u>\$8,947,384</u>	<u>100%</u>	<u>\$6,422,167</u>	<u>100%</u>
Program Expenses:				
Public safety	8,657,669	100%	6,715,776	100%
Interest	8,634	0%	6,202	0%
Total Expenses	<u>8,666,303</u>	<u>100%</u>	<u>6,721,978</u>	<u>100%</u>
Changes in net position	281,081		(299,811)	
Beginning net position	<u>477,666</u>		<u>777,477</u>	
Ending net position	<u>\$ 758,747</u>		<u>\$ 477,666</u>	

**ASSUMPTION PARISH SHERIFF**  
**Napoleonville, Louisiana**  
**Management's Discussion and Analysis (Unaudited)**

**GOVERNMENTAL REVENUES**

The Assumption Parish Sheriff is heavily reliant on property taxes to support its operations. Property taxes provided 55% of the Assumption Parish Sheriff's total revenues. Because the Assumption Parish Sheriff invests its idle cash, we have been able to earn \$704 in interest earnings to support governmental activities. Also, note that program revenues cover 34% of governmental operating expenses. This means that the government's taxpayers and the Assumption Parish Sheriff's other general revenues fund 66% of its operations.

**GOVERNMENTAL FUNCTIONAL EXPENSES**

The total function of Assumption Parish Sheriff's office is public safety activities. Of the total costs, depreciation on the office equipment and vehicles was \$228,865 or 2.6% of total expenses.

**GOVERNMENTAL FUNCTIONAL EXPENSES**

**Governmental funds**

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balance of \$1,441,421. Of this year-end total, \$1,426,386 or 99% is unassigned indicating availability for continuing the Assumption Parish Sheriff activities.

The total ending fund balances of governmental funds shows an increase of \$125,407 or 9.5% from the prior year.

**Major Governmental Funds**

The General Fund is the Assumption Parish Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$125,407 from the prior year. In fiscal year 2013, the fund balance decreased \$36,940. In fiscal year 2014, revenues increased \$2,522,842 and expenditures increased \$2,360,495.

Revenues increased in fiscal year 2014, with a total increase of \$2,522,842. While ad valorem taxes, our major source of revenue, increased in fiscal year 2014 by \$876,386 or 21.6%, the increase was due mainly to an increase of \$1,624,427 or 230.7% in fees, charges, and commissions for services. The increase in fees, charges, and commissions was due to the opening of a juvenile detention center. Revenues received from the operation of the juvenile detention center totaled \$1,632,721.

Operating expenditures were approximately \$2,360,495 more than fiscal year 2013. The primary reasons were increases in personal services and related benefits of \$1,054,666 or 25.25%, operations and maintenance of \$550,696 or 49.5%, and capital outlay of \$458,303 or 274%. The major increase in personal services and related benefits of \$832,148 related to the new juvenile detention center employees. Salaries and pension costs of employees, other than juvenile detention center employees, increased by \$112,959 and \$96,763 respectively. The increase in operations and maintenance was mostly due to the operations and maintenance of the new juvenile detention center incurred during fiscal year 2014. The major capital outlay increases are broken down in the capital assets section below.

**ASSUMPTION PARISH SHERIFF**  
**Napoleonville, Louisiana**  
**Management's Discussion and Analysis (Unaudited)**

General Fund's ending fund balance is more than the prior year by \$125,407 or 9.5% and we consider this amount solvent as it represents 16% of fiscal year 2014's annual expenditures.

**BUDGETARY HIGHLIGHTS**

**The General Fund**

The General Fund's original revenue budget was less than the actual amounts reported in fiscal year 2014, while the final budget was greater than the actual amount reported. The final amended budget reported revenues increasing 42% over the original budget. The actual amount of revenues reported was 41% over the original budget and less than 1% less than the final amended budget.

The actual 2014 expenditures reported a total increase of 39% over the original budgeted amounts. The increase relates primarily to costs associated with the opening of the juvenile detention center in July of 2013. The actual amount of expenditures reported was less than the final amended budget by \$128,255, or 1.4%.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

The Assumption Parish Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2014, was \$1,043,544. The overall increase was 58% for the Assumption Parish Sheriff as a whole. See Note 6 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity:

	<b>Capital Assets</b>	
	<b>Governmental Activities</b>	
	<b>2014</b>	<b>2013</b>
Depreciable assets:		
Office equipment & furniture	\$ 1,200,563	\$ 959,591
Vehicles	1,641,096	1,298,680
Total depreciable assets	\$ 2,841,659	\$ 2,258,271
Less accumulated depreciation	1,817,335	1,599,844
Book value-depreciable assets	<u>\$ 1,024,324</u>	<u>\$ 658,427</u>
Percentage depreciated	<u>64%</u>	<u>71%</u>
Capital assets, not being depreciated:		
Construction in Progress	\$ 19,220	\$ -
Net Capital Assets	<u>\$ 1,043,544</u>	<u>\$ 658,427</u>

At June 30, 2014, the depreciable capital assets for governmental activities were 64% depreciated versus 71% in the prior year.

**ASSUMPTION PARISH SHERIFF**  
**Napoleonville, Louisiana**  
**Management's Discussion and Analysis (Unaudited)**

The major additions to the account include:

Fifteen (15) Vehicles	\$354,341 (average cost of \$23,622)
Fencing for Adult Jail	\$94,310

**Long-term debt**

The Assumption Parish Sheriff had indebtedness in the form of compensated absences of \$386,903 for the year ending June 30, 2014. Additions during this fiscal year amount to \$56,176 or 17% of the beginning balance of accrued compensated absences.

As discussed in Note 10 to the financial statements, effective July 1, 2009, the Sheriff implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting of Employees from Postemployment Benefits other than Pensions*. As a result, the Assumption Parish Sheriff had an ending net other postemployment benefit obligation of \$1,353,141 for the year ended June 30, 2014. Contributions made to fund this cost amounted to \$80,357 during the fiscal year.

**ECONOMIC CONDITIONS AFFECTING THE PARISH SHERIFF**

Currently, there are no known economic conditions which could cause a serious disruption in our primary services, but we are closely monitoring a few issues which could impact our financial situation. We may see a decrease in the 2015 ad valorem tax base due to the final closure of a major fabrication facility in Bayou L'Ourse. This entity was the second largest taxpayer in 2013 and paid approximately \$1,390,000 in 2013 and then paid approximately \$760,000 in 2014. This expected 2015 decrease may be offset by anticipated ad valorem tax revenues from industrial tax payers who are expected to report caverns associated with the Grand Bayou Salt Dome as other assets as recently required by the Assessor. Ad valorem taxes are a major source of revenue for the Sheriff's operations.

Another concern is the ability of Texas Brine Company, LLC and its insurers to continue reimbursing the Sheriff's office for its out of pocket costs associated with securing the sinkhole evacuation zone in Bayou Come. The company and its insurers have reimbursed the Sheriff's Office through June 30, 2014 for estimated expenses incurred. However, parish officials expect that the evacuation zone may remain in effect through June 30, 2015 while litigation and buy-outs are being finalized with homeowners. Management and its legal counsel are monitoring this situation closely.

The agricultural segment of our local economy as it relates to harvesting sugar cane has maintained its level of activity. At this time, we do not feel that any economic sector will adversely impact the Sheriff's operations or its ability to continue to collect the needed revenues in order to provide primary, public safety services but we will continue to closely monitor our budget and cash flow situation.

**CONTACTING THE PARISH SHERIFF'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Assumption Parish Sheriff's finances, comply with finance-related laws and regulations and demonstrate the Assumption Parish Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information contact the Chief Civil Deputy, Katie W. Thibodeaux at (985) 369-7281.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Statement of Net Position  
June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 289,527
Investments	1,189,319
Receivables, net	123,539
Due from other governmental units	420,423
Prepaid items	15,035
Capital assets:	
Not being depreciated	19,220
Net of accumulated depreciation	<u>1,024,324</u>
 TOTAL ASSETS	 <u>3,081,387</u>
LIABILITIES	
Accounts, salaries, and other payables	354,471
Unearned revenues	228,125
Noncurrent liabilities:	
Due in more than one year	<u>1,740,044</u>
 TOTAL LIABILITIES	 <u>2,322,640</u>
NET POSITION	
Net investment in capital assets	1,043,544
Unrestricted (deficit)	<u>(284,797)</u>
 TOTAL NET POSITION	 <u>\$ 758,747</u>

*The accompanying notes are an integral part of the financial statements.*



ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Statement of Activities  
Year Ended June 30, 2014

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Net (Expense) / Revenue and Changes in Net Position
Governmental activities:				
Public safety	\$ 8,657,669	2,565,245	466,908	\$ (5,625,516)
Interest on debt	8,634	-	-	(8,634)
Total governmental activities	<u>8,666,303</u>	<u>2,565,245</u>	<u>466,908</u>	<u>(5,634,150)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				4,934,947
Grants and contributions not restricted to specific programs:				
State sources				398,948
Interest and investment earnings				704
Miscellaneous				<u>580,632</u>
Total general revenues				<u>5,915,231</u>
Change in net position				281,081
Net position - July 1, 2013				<u>477,666</u>
Net position - June 30, 2014				<u>\$ 758,747</u>

*The accompanying notes are an integral part of the financial statements.*

## **FUND FINANCIAL STATEMENTS**

## **MAJOR FUND DESCRIPTION**

### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Balance Sheet  
Governmental Fund  
June 30, 2014

	General Fund
<hr/>	
ASSETS	
Cash and interest-bearing deposits	\$ 289,527
Investments	1,189,319
Receivables -	
Due from other governmental agencies	420,423
Other receivables	123,539
Prepaid items	<u>15,035</u>
 Total assets	 <u>\$ 2,037,843</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 249,374
Due to others	105,097
Revenues received in advance of exchange of service	<u>228,125</u>
Total liabilities	<u>582,596</u>
 Deferred inflows of resources:	
Unavailable revenues	<u>13,826</u>
 Fund balance:	
Nonspendable	15,035
Unassigned	<u>1,426,386</u>
Total fund balance	<u>1,441,421</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 2,037,843</u>

(continued)

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Balance Sheet (continued)  
Governmental Fund  
June 30, 2014

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position:

Total fund balances for governmental funds at June 30, 2014 \$ 1,441,421

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of

Construction in Progress	\$ 19,220	
Vehicles, net of \$1,053,047 accumulated depreciation	588,049	
Equipment, net of \$582,687 accumulated depreciation	261,952	
Computers, net of \$176,333 accumulated depreciation	38,487	
Building improvements, net of \$5,268 accumulated depreciation	<u>135,836</u>	1,043,544

Receivables not available to pay for current year expenditures are reported as deferred inflows of resources in the fund financial statements. 13,826

Liabilities not due and payable in the current period and therefore are not reported in the funds.

Compensated absences	(386,903)	
Net OPEB obligation	<u>(1,353,141)</u>	<u>(1,740,044)</u>

Net position at June 30, 2014 \$ 758,747

*The accompanying notes are an integral part of the financial statements.*

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
Year Ended June 30, 2014

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$4,934,947
Intergovernmental revenues -	
Federal grants and reimbursements	45,504
State Sources -	
D.A.R.E. Grant	60,559
Gaming revenue	201,660
Revenue sharing	197,288
Supplemental pay	360,845
Local grants and reimbursements	223,105
Fees, charges and commissions for services	2,328,314
Interest income	704
Miscellaneous	<u>577,500</u>
Total revenues	<u>8,930,426</u>
Expenditures:	
Current -	
Public safety:	
Personal services and related benefits	5,231,313
Operating services	1,267,206
Operations and maintenance	1,664,052
Travel and other charges	22,964
Debt service	8,634
Capital outlay	<u>625,433</u>
Total expenditures	<u>8,819,602</u>
Excess of revenues over expenditures	110,824
Other financing sources:	
Insurance proceeds	<u>14,583</u>
Net change in fund balance	125,407
Fund balance, beginning	<u>1,316,014</u>
Fund balance, ending	<u>\$ 1,441,421</u>

(continued)

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)  
Governmental Fund  
Year Ended June 30, 2014

Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balance of the Governmental Fund to the Statement of Activities:

Total net changes in fund balance for the year ended June 30, 2014 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 125,407
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The change in net assets reported for governmental activities in the  
statement of activities is different because:

Some expenses reported in the Statement of Activities do not require the  
use of current financial resources and, therefore, are not reported as  
expenditures in the governmental funds.

Prior year compensated absences	330,727	
Current year compensated absences	(386,903)	
Change in net OPEB obligation	<u>(187,093)</u>	(243,269)

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	625,433	
Depreciation expense for the year ended June 30, 2014	(228,865)	
Current year deletions of capital assets, net of accumulated depreciation	<u>(11,451)</u>	385,117

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	<u>13,826</u>
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Total changes in net position for the year ended June 30, 2014 per Statement of Activities	<u>\$ 281,081</u>
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*The accompanying notes are an integral part of the financial statements.*

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Statement of Fiduciary Net Position  
June 30, 2014

ASSETS

Cash and interest-bearing deposits	<u>\$ 16,087,484</u>
Total assets	<u>\$ 16,087,484</u>

LIABILITIES

Liabilities:	
Due to taxing bodies and others	\$ 16,077,652
Due to Inmates	<u>9,832</u>
Total liabilities	<u>\$ 16,087,484</u>

*The accompanying notes are an integral part of the financial statements.*



ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Assumption Parish Sheriff (hereinafter “Sheriff”) serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

(1) Summary of Significant Accounting Policies

A. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff’s office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

B. Basis of Presentation

The accompanying financial statements of the Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements

The statements of net position and activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities presents a comparison between direct expenses and program revenues for the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

Fund Financial Statements

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The general fund of the Sheriff is considered to be a major fund.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

The funds of the Sheriff are described below:

Governmental Fund -

General Fund – This fund is the primary operating fund of the Sheriff and it accounts for the operations of the Sheriff's office. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Sheriff's policy.

Fiduciary Funds -

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action or other regulatory proceeding. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting. The agency funds are as follows:

Sheriff's Fund - accounts for funds held in connection with civil suits, sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund - Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Bond Fund - accounts for the collection of cash bonds and payment of these collections to the eligible recipients in accordance with applicable laws.

Inmate Trust Fund - accounts for the receipts and disbursements made to the individual inmate accounts and for the sale of commissary merchandise and supplies.

Garnishment Fund - accounts for the collection of garnishments and payment of these collections to the appropriate recipients in accordance with court orders.

Hazardous Material Fund - accounts for the receipt and distribution of special service charges on the manufacture, use, storage or transport of hazardous materials as enacted by Ordinance 00-19 of the Assumption Parish Police Jury, as amended by Ordinances 01-01 and 02-11.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

C. Measurement Focus/Basis of Accounting

The amounts reflected in the general fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Sheriff operations.

The amounts reflected in the general fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

When both restricted and unrestricted resources are available for use, the Sheriff's policy is to use restricted resources first, then unrestricted resources as needed.

The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on January 31. The taxes are generally collected in December, January, and February of the fiscal year.

Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned.

Substantially all other revenues are recorded when received.

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

Unearned Revenues

Unearned revenues arise when resources are received by the Sheriff before there is a legal claim to the revenue, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the Sheriff has a legal claim to the resources, the liability for the unearned revenue is removed from the combined balance sheet and the revenue is recognized.

D. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. Deposits are stated at cost, which approximates market.

E. Investments

Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. All of the Sheriff's investments are in LAMP, which are stated at amortized cost.

F. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

G. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond the balance sheet date are recorded as prepaid items.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

H. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing assets.

Capital assets are recorded in the statement of net position. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Vehicles	5
Equipment	5-10
Computers	5-10
Building improvements	40

I. Compensated Absences

Employees of the Sheriff earn two weeks of annual leave and five days of sick leave each year. Annual leave must be used in the year it is earned. Additional leave of absence, without pay, may be granted at the discretion of the Sheriff.

In lieu of payment for certain hours worked, employees of the Sheriff may elect to receive comp-time. Comp-time may be used for paid time off from work or left to accumulate, up to a maximum of 480 hours per employee. Any unused comp-time at the time of retirement, or separation from employment, is paid to the employee.

In prior years, compensated absences have typically been liquidated by the Sheriff's general fund.

J. Equity Classifications

Government-wide financial statements

Equity is classified as net position and displayed in three components

1. Net investment in capital assets - consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by the outstanding balances of any bonds, certificates of indebtedness, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

3. Unrestricted - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Fund financial statements

Fund balance for the Sheriff's governmental fund (the General Fund) is displayed in the following classification depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed - amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned - amounts that are available for any purpose; these amounts can be reported only in the Sheriff's General Fund.

K. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2014 the Sheriff has cash and interest-bearing deposits (book balances) totaling \$16,377,011, as follows:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Noninterest-bearing deposits	\$ 500	\$ 27,276	\$ 27,776
Interest-bearing deposits	<u>289,027</u>	<u>16,060,208</u>	<u>16,349,235</u>
Total	<u>\$ 289,527</u>	<u>\$ 16,087,484</u>	<u>\$ 16,377,011</u>

A portion of the Sheriff's deposits, \$43,859, is restricted for use pending adjudication of and authorization from the district court system.

The Sheriff, as ex-officio tax collector, has cash (book balances) in the Tax Collector Agency fund totaling \$15,742,012. The unsettled balances at June 30, 2014 consist of:

Ad valorem taxes	\$ 101,114
Occupational licenses	10,996
Interest on delinquent taxes	9,461
Interest on protest taxes	2,716
Refunds and other	8,003
Protest taxes	14,450,236
Penalties on protest taxes	1,158,816
Overpayment on protest taxes	<u>670</u>
	<u>\$ 15,742,012</u>

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2014 are as follows:

Bank balances	<u>\$ 16,443,735</u>
Federal deposit insurance	250,000
Pledged securities	<u>16,193,735</u>
Total	<u>\$ 16,443,735</u>



ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Sheriff's deposits may not be recovered or the Sheriff will not be able to recover collateral securities that are in the possession of an outside party. The Sheriff does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. Deposits in the amount of \$16,193,735 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's agent, but not in the Sheriff's name.

(2) Investments

Investments held at June 30, 2014 consist of \$1,189,319 in the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statements No. 40, *Deposit and Investment Risk Disclosure*, requires the disclosure of credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investments pools:

Credit risk – LAMP is rated AAAm by Standard & Poor's.

Custodial credit risk – LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not with the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk – pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk – 2a7-like investment pool are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.

Foreign currency risk – not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

A portion of the Sheriff's deposits in LAMP, \$75,649, is restricted for use pending adjudication of and an authorization from the district court system.

(4) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in June or July and are actually billed to taxpayers by the Sheriff in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Assumption Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2014, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 29.06 mills on property with net assessed valuations totaling \$173,570,703. In addition, a supplemental assessment was levied on underground caverns for tax years 2010, 2011, 2012, and 2013 with net assessed valuations totaling \$148,586,041.

Total law enforcement taxes levied during the fiscal year ended June 30, 2014 were \$9,361,877.

(5) Receivables and Due From Other Governmental Units

Receivables and amounts due from other governmental units at June 30, 2014 consist of the following:

	<u>Receivables</u>	<u>Due from Other Governments</u>
Governmental activities:		
Fees, charges and commissions for services	\$ -	\$ 181,843
State grants and commissions	-	56,800
Local grants and reimbursements	-	181,780
Sinkhole related reimbursements	29,450	-
Miscellaneous receivables	94,089	-
	<u>\$ 123,539</u>	<u>\$ 420,423</u>

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance 7/1/2013	Additions	Deletions	Balance 6/30/2014
Governmental activities:				
Capital assets, not being depreciated:				
Construction in Progress	\$ -	\$ 19,220	\$ -	\$ 19,220
Capital assets, being depreciated:				
Vehicles	1,298,680	365,241	22,825	1,641,096
Equipment	714,949	129,690	-	844,639
Computers	197,848	16,972	-	214,820
Building improvements	46,794	94,310	-	141,104
Total capital assets, being depreciated	<u>2,258,271</u>	<u>606,213</u>	<u>22,825</u>	<u>2,841,659</u>
Less: accumulated depreciation				
Vehicles	917,875	146,546	11,374	1,053,047
Equipment	515,692	66,995	-	582,687
Computers	164,415	11,918	-	176,333
Building improvements	1,862	3,406	-	5,268
Total accumulated depreciation	<u>1,599,844</u>	<u>228,865</u>	<u>11,374</u>	<u>1,817,335</u>
Total assets, being depreciated, net	<u>658,427</u>	<u>377,348</u>	<u>11,451</u>	<u>1,024,324</u>
Net capital assets	<u>\$ 658,427</u>	<u>\$396,568</u>	<u>\$ 11,451</u>	<u>\$ 1,043,544</u>

Depreciation expense in the amount of \$228,865 was charged to public safety.

(7) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2014:

	Governmental Activities	Fiduciary Funds	Total
Accounts payable	\$ 249,374	\$ -	\$ 249,374
Due to inmates	-	9,832	9,832
Due to other governmental units	-	16,077,652	16,077,652
Evidence seizures	105,097	-	105,097
Total	<u>\$ 354,471</u>	<u>\$16,087,484</u>	<u>\$16,441,955</u>

As discussed in Note 15, amounts due to other governmental units in the Fiduciary Funds include \$15,612,438 from taxes paid under protest and are held pending resolution of those protests.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

(8) Pension Plan

Plan Description. The Sheriff contributes to the Sheriff's Pension and Relief Fund (Retirement System), a cost-sharing, multiple-employer defined benefit pension plan administered by the Sheriff's Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to Sheriff and deputy sheriff members throughout the State of Louisiana. The Sheriff's Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriff's Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802.

Funding Policy. Plan members are required to contribute 10.25% of their annual covered salary and the Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.89% of annual covered payroll. The contribution requirements of plan members and the Sheriff are established and may be amended by the Sheriff's Pension and Relief Fund. The Sheriff contributes the employees' portion on behalf of the department's employees. The Sheriff's aggregate contributions to the Retirement System for the years ended June 30, 2014, 2013, and 2012 were \$1,034,935, \$782,862, and \$648,524, respectively.

(9) Deferred Compensation Plan

The Sheriff offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397. The Sheriff's contribution to the Plan for the year ended June 30, 2014 was \$68,005.

(10) Post-Retirement Health Care Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45, the Sheriff began to recognize the cost of postemployment healthcare in the year when employee services are rendered, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over thirty years, commencing with the liability at June 30, 2009.

Plan Description. The Sheriff's medical/dental and life insurance benefits are provided to employees upon actual retirement. The plan is an agent multiple-employer defined benefit health care plan administered by the Louisiana Sheriff's Association through BlueCross BlueShield of Louisiana. This plan does not issue a publicly available report.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

The employer pays 100% of the medical coverage for the retiree only (not dependents). The employer also pays for life insurance coverage after retirement. Employees are covered by the Louisiana Sheriffs' Pension and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; or, age 55 and 12 years of service. However, twenty years of service with the Assumption Parish Sheriff's Office is required to be eligible for employer-paid OPEB benefits.

Life insurance coverage is continued to retirees by election. The employer pays for the first \$10,000 of retiree life insurance and the retiree pays for any elected excess life insurance over \$10,000. However, both are based on the blended rate and there is thus an implied subsidy. Since GASB 45 requires the use of "unblended" rates, the 94GAR mortality table has been used to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Based on past experience, we have assumed that 40% of retirees elect to continue full life insurance coverage into retirement.

**Contribution Rates.** Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Funding Policy.** Until 2009, the Sheriff recognized the cost of providing post-employment medical and life insurance benefits (the Sheriff's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. For the year ended June 30, 2014, the Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$80,357.

**Annual Required Contribution.** The Sheriff's annual required contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the normal cost plus the contribution to amortize the unfunded actuarial accrued liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2014
Normal Cost	\$ 121,493
30-year UAL amortization amount	<u>166,748</u>
Annual required contribution (ARC)	<u>\$ 288,241</u>

**Net Post-employment Benefit Obligation (Asset).** The table below shows the Sheriff's net other post-employment benefit (OPEB) obligation for fiscal year ended June 30, 2014:

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

Annual required contribution	\$ 288,241
Interest on net OPEB obligation	46,642
Adjustment to annual required contribution	<u>(67,433)</u>
Annual OPEB cost (expense)	267,450
Contributions made	<u>(80,357)</u>
Increase in net OPEB obligation	187,093
Beginning net OPEB obligation, 7/1/2013	<u>1,166,048</u>
Ending net OPEB obligation, 6/30/2014	<u>\$ 1,353,141</u>

The Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 267,450	30.05%	\$ 1,353,141
6/30/2013	\$ 259,668	28.65%	\$ 1,166,048
6/30/2012	\$ 389,364	14.46%	\$ 980,785

**Funded Status and Funding Progress.** The funded status of the plan as of the most recent actuarial valuation is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2012	\$ -	\$ 2,883,425	\$ 2,883,425	0.0%	\$ 3,374,727	85.44%

The schedule of funding progress included in the required supplementary information following the notes to the financial statements presents multi-year trend information will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because GASB Statement No. 45 requires an actuarial valuation at least triennially for plans with total participants of fewer than 200, only two years are presented in the schedule at this time. In future years, required trend data will be presented.

**Actuarial Methods and Assumptions.** Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Sheriff and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Sheriff and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Sheriff and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**Actuarial Cost Method** – The ARC is determined using the projected unit credit cost method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

**Actuarial Value of Plan Assets** – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

**Turnover Rate** – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 8%.

**Post employment Benefit Plan Eligibility Requirements** – Although employees may retire at age 55 and 12 years of service, historically they have tended to wait until 20 years of service to retire because of the requirement of twenty years to obtain OPEB benefits. In addition, many employees have historically worked until completion of 30 years of service (including the D.R.O.P. period). To accommodate these historical tendencies, it is assumed that actual retirement (and commencement of OPEB benefits) occurs at the earlier of: first, completion of 30 years of service and the end of the D.R.O.P. period; and, second, five years after attainment of age 55 and completion of 20 years of service. Medical benefits are provided to employees upon actual retirement.

**Investment Return Assumption (Discount Rate)** – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

**Health Care Cost Trend Rate** – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

**Mortality Rate** - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the Sheriff for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility, so we have estimated the "unblended" rates for retirees before Medicare as 130% of the total blended rate, as required by GASB 45 for valuation purposes. The Sheriff's contribution is then that unblended rate less the retiree's contribution, if any.

Inflation Rate - Included in both the investment return assumption and the healthcare cost trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

(11) Changes in Agency Fund Balances

A summary of changes in agency fund balances due to taxing bodies and others and due to prisoners follows:

	Sheriff's Fund	Tax Collector Fund	Bond Fund
Balances, July 1, 2013	\$ 32,337	\$ 44,446	\$ 261,211
Additions	136,308	34,092,768	559,024
Reductions	<u>(122,635)</u>	<u>(18,395,202)</u>	<u>(537,052)</u>
Balances, June 30, 2014	<u>\$ 46,010</u>	<u>\$ 15,742,012</u>	<u>\$ 283,183</u>
	Inmate Trust Fund	Garnishment Fund	Hazardous Materials Fund
Balances, July 1, 2013	\$ 5,884	\$ -	\$ 5,240
Additions	99,321	112,031	40,335
Reductions	<u>(95,373)</u>	<u>(112,031)</u>	<u>(39,128)</u>
Balances, June 30, 2014	<u>\$ 9,832</u>	<u>\$ -</u>	<u>\$ 6,447</u>



ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

(12) Changes in Noncurrent Liabilities

The following is a summary of noncurrent liability transactions of the Sheriff for the year ended June 30, 2014:

	<u>7/1/2013</u>	<u>Additions</u>	<u>Payments/ Reductions</u>	<u>6/30/2014</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	<u>\$330,727</u>	<u>\$ 56,176</u>	<u>\$ -</u>	<u>\$386,903</u>	<u>\$ -</u>

(13) Short Term Debt

During the year, the Sheriff issued Revenue Anticipation Notes to supplement the costs of operations due to temporary cash flow deficiencies. The following is a summary of short term debt activity for the year ended June 30, 2014:

	<u>7/1/2013</u>	<u>Additions</u>	<u>Payments/ Reductions</u>	<u>6/30/2014</u>
Governmental activities:				
Revenue anticipation notes	<u>\$ -</u>	<u>\$ 900,000</u>	<u>\$ 900,000</u>	<u>\$ -</u>

(14) Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the Sheriff is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	<u>General</u>
Fund balances:	
Nonspendable -	
Prepaid items	\$ 15,035
Unassigned:	<u>1,426,386</u>
Total fund balances	<u>\$1,441,421</u>

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

(15) Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2014, include \$15,612,438 of taxes paid under protest plus interest earned to date on the investment of these funds, penalties paid on the protest taxes, and overpayments. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

(16) Ad Valorem Taxes Collected and Assessed and Uncollected

The amount of ad valorem taxes collected and assessed and uncollected for the current year by the taxing authority is as follows:

	Taxes Collected	Taxes Assessed and Uncollected
Assumption Parish Special Law Enforcement	\$ 9,348,724	\$ 3,567
Assumption Parish School Board	12,650,401	4,696
Assumption Parish Assessor	1,545,509	574
Assumption Parish Parks and Recreation	310,718	290
Assumption Parish Drainage Districts	128,689	55
Assumption Parish Council of Aging	1,447,712	537
Assumption Parish Police Jury	1,422,787	713
Assumption Parish Consolidated Fire District	1,608,538	596
Atchafalaya Levee District	1,247,000	442
Lafourche Levee District	50,608	39
Assumption Parish Library	643,415	238
Assumption Parish Light Districts	163,632	288
Department of Agriculture & Forestry	11,048	-
Louisiana Tax Commission	2,755	-
Bayou Lafourche Freshwater	673,819	249
Public Buildings and Governmental Facility	321,708	119
LA Cooperative Extension Service	321,708	119
Total	<u>\$ 31,898,771</u>	<u>\$ 12,522</u>

Uncollected taxes consist of moveable property, assessments for which due process was not effected, or assessments determined to be invalid and not removed from the tax rolls. The Sheriff continues with legal efforts to collect unremitted assessments.

(17) Litigation and Claims

At June 30, 2014, the Sheriff is involved in several lawsuits claiming damages. In the opinion of the Sheriff's legal counsel, resolution of these lawsuits would not create a liability to the Sheriff in excess of insurance coverage.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Financial Statements (continued)

(18) Risk Management

The Sheriff is exposed to various risks of loss related to auto liability; professional law enforcement liability; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Sheriff has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Sheriff is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended June 30, 2014. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years.

(19) Expenditures of the Sheriff's Office Paid by the Parish Police Jury

The Sheriff's office is located in the annex to the parish courthouse. The cost of maintaining and operating the annex parish courthouse, and Assumption Parish Detention Center, as required by statute, is paid by the Assumption Parish Police Jury. These expenditures are not included in the accompanying financial statements.

(20) Subsequent Events

Subsequent to year end, the Sheriff issued \$1,000,000 of Revenue Anticipation Notes, Series 2014, with an interest rate of 2.25% payable through June 30, 2015. The notes are being used to pay current expenditures.

(21) New Accounting Pronouncements

During the year ended June 30, 2014, the Sheriff implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Statement No. 65 clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting

In June 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by GASB Statement No. 67, *Financial Reporting for Pension Plans*. The provisions of GASB Statement No. 68 must be implemented by the Sheriff for the year ended June 30, 2015. The effect of implementation of this statement on the Sheriff's financial statements has not yet been determined.

## **REQUIRED SUPPLEMENTARY INFORMATION**

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Budgetary Comparison Schedule  
Governmental Fund Type - General Fund  
Year Ended June 30, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$4,400,000	\$4,909,826	\$4,934,947	\$ 25,121
Intergovernmental revenues -				
Federal grants and reimbursements	30,800	72,867	45,504	(27,363)
State Sources -				
D.A.R.E grant	49,000	32,000	60,559	28,559
Gaming revenue	190,500	209,114	201,660	(7,454)
Revenue sharing	199,200	197,288	197,288	-
Supplemental pay	345,000	356,835	360,845	4,010
Local grants and reimbursements	320,475	362,919	223,105	(139,814)
Fees, charges and commissions for services	583,550	2,217,225	2,328,314	111,089
Interest income	850	663	704	41
Miscellaneous	213,805	624,537	577,500	(47,037)
Total revenues	<u>6,333,180</u>	<u>8,983,274</u>	<u>8,930,426</u>	<u>(52,848)</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	4,079,350	5,189,640	5,231,313	(41,673)
Operating services	1,073,750	1,341,881	1,267,206	74,675
Operations and maintenance	938,305	1,796,881	1,664,052	132,829
Travel and other charges	11,850	20,034	22,964	(2,930)
Debt service	6,200	8,634	8,634	-
Capital outlay	223,725	590,787	625,433	(34,646)
Total expenditures	<u>6,333,180</u>	<u>8,947,857</u>	<u>8,819,602</u>	<u>128,255</u>
Excess of revenues over expenditures	<u>-</u>	<u>35,417</u>	<u>110,824</u>	<u>75,407</u>
Other financing sources:				
Insurance proceeds	-	14,583	14,583	-
Net change in fund balance	<u>-</u>	<u>50,000</u>	<u>125,407</u>	<u>75,407</u>
Fund balance, beginning	<u>1,365,134</u>	<u>1,316,014</u>	<u>1,316,014</u>	<u>-</u>
Fund balance, ending	<u>\$1,365,134</u>	<u>\$1,366,014</u>	<u>\$1,441,421</u>	<u>\$ 75,407</u>

*See accompanying notes to budgetary comparison schedule.*

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Notes to Budgetary Comparison Schedule

(1) Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff.

(2) Budget Preparation and Adoption

The Sheriff follows these procedures in establishing the budgetary data reflected in the supplementary information:

1. The chief administrative deputy prepares a proposed budget for the general fund and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Schedule of Funding Progress  
Postemployment Benefits Other Than Pensions  
Year Ended June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2009	\$ -	\$2,748,201	\$2,748,201	0.0%	\$2,393,774	114.81%
July 1, 2012	\$ -	\$2,883,425	\$2,883,425	0.0%	\$3,374,727	85.44%

## **OTHER SUPPLEMENTARY INFORMATION**



AFFIDAVIT OF CASH ON HAND AND OF TAXES COLLECTED  
AND ASSESSED AND UNCOLLECTED

STATE OF LOUISIANA  
PARISH OF ASSUMPTION

Before me, the undersigned authority, personally came and appeared, Michael J. Waguespack, the sheriff of Assumption Parish, State of Louisiana, who after being duly sworn, deposed and said:

**The following information is true and correct:**

**\$15,742,012 is the amount of cash on hand in the tax collector accounts at June 30, 2014.**

He further deposed and said:

**All itemized statements of the amount of taxes collected for tax year 2013 by taxing authority, are true and correct.**

**All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.**



Michael J. Waguespack, Sheriff  
Assumption Parish

Sworn to and subscribed before me, Notary, this 16<sup>th</sup> day of December, 2014, in my office in Napoleonville, Louisiana.

Katie W. Thibodeaux (Signature)  
Katie W. Thibodeaux (Print), # 87039

Notary Public

Ex-Officio Notary Public (Commission)

## **INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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Retired  
Conrad O. Chapman, CPA\* 2006

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Michael J. Waguespack  
Assumption Parish Sheriff  
Napoleonville, Louisiana

### Report on the Financial Statements

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Assumption Parish Sheriff (hereinafter "Sheriff") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 16, 2014.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Sheriff's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified a deficiency in internal control that we consider to be a material weakness and which is described in the accompanying schedule of audit results and findings as item 2014-001.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
December 16, 2014

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Schedule of Audit Results and Findings  
Year Ended June 30, 2014

Part I. Summary of Auditors' Results:

The auditors' report expresses unmodified opinions on the financial statements of the Sheriff's governmental activities, the major fund (General Fund), and the aggregate remaining fund information.

A deficiency in internal control was disclosed by the audit of the financial statements and the condition is considered a material weakness.

No instances of noncompliance which are material to the financial statements and required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

A management letter was not issued.

Part II. Findings reported in accordance with *Governmental Auditing Standards*:

2014-001 - Segregation of Duties:

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Sheriff's internal control over financial reporting includes those policies and procedures that pertain to an entity's ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Schedule of Audit Results and Findings (continued)  
Year Ended June 30, 2014

Part III. Findings and questioned costs for federal awards reported in accordance with Office of Management and Budget Circular A-133:

The requirements of OMB Circular A-133 are not applicable for the year ended June 30, 2014.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2014

A. Internal Control and Compliance Material to the Financial Statements –

2013-1 - Segregation of Duties:

CONDITION: Accounting and financial functions are not adequately segregated.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: See schedule of audit results and findings item 2014-001.

B. Internal Control and Compliance Material to Federal Awards –

This section was not applicable.

C. Management Letter –

There were no findings previously reported under this section.

ASSUMPTION PARISH SHERIFF  
Napoleonville, Louisiana

Corrective Action Plan for Current Audit Findings  
Year Ended June 30, 2014

2014-001 - Segregation of Duties:

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: not considered necessary